

USDC SDNY
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: **Civil Action No. 05-CV-6516 (LTS)**
 : **(Derivative Action)**
 :

STIPULATION AND ~~PROPOSED~~ ORDER CONSOLIDATING ACTIONS AND
APPOINTING LEAD COUNSEL

SONIA LUCENO, Derivatively on Behalf of : Civil Action No. 05-CV-6733 (LTS)
MORGAN STANLEY, :

Plaintiff, :

vs. :

PHILIP J. PURCELL, et al., :

Defendants, :

- and - :

MORGAN STANLEY, a Delaware
corporation, :

Nominal Defendant. :

BETTY FLIEDNER, Derivatively on Behalf of : Civil Action No. 05-CV-7493 (LTS)
MORGAN STANLEY, :

Plaintiff, :

vs. :

PHILIP J. PURCELL, et al., :

Defendants, :

- and - :

MORGAN STANLEY, a Delaware
corporation, :

Nominal Defendant. :
x

TO: ALL PARTIES AND THEIR ATTORNEYS OF RECORD

1. There are presently three related derivative actions brought on behalf of nominal defendant Morgan Stanley, against certain of the directors and former officers of Morgan Stanley, on file in the United States District Court, Southern District of New York. These actions include:

<u>Abbreviated Case Name</u>	<u>Case Number</u>	<u>Date Filed</u>
<i>Central Laborers' Pension Fund, et al.</i> <i>v. Purcell, et al.</i>	05-CV-6516 (LTS)	7/19/05
<i>Luceno v. Purcell, et al.</i>	05-CV-6733 (LTS)	7/27/05
<i>Fliedner v. Purcell, et al.</i>	05-CV-7493 (LTS)	8/24/05

2. All of the counsel for the parties in the related Morgan Stanley derivative actions currently on file in this Court enter into this stipulation.

3. The parties agree and the Court directs that the above-referenced actions should be related and consolidated for all purposes, including pre-trial proceedings and trial.

4. The parties agree and the Court directs that every pleading or other submission subsequently filed in these consolidated actions, or in any separate action consolidated hereafter, shall bear the following caption:

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____	x	
In re MORGAN STANLEY DERIVATIVE	:	Master File No. 05-CV-6516 (LTS)
LITIGATION	:	
_____	:	(Derivative Action)
	:	
This Document Relates To:	:	
	:	
ALL ACTIONS.	:	
_____	x	

5. The parties agree and the Court directs that the files of these consolidated actions shall be maintained in one file under Master File No. 05-CV-6516 (LTS).

6. The parties agree that the Verified Shareholders' First Amended Derivative Complaint for Violations of §§14(a) and 10(b) of the Securities Exchange Act of 1934, Intentional and/or Negligent Breach of Fiduciary Duties, Gross Mismanagement, Waste, Unjust Enrichment, Rescission, Abuse of Control, Aiding and Abetting, Professional Negligence and Legal Malpractice, filed on August 24, 2005 in *Central Laborers' Pension Fund, et al. v. Purcell, et al.*, No. 05-CV-6516 (LTS), shall be deemed the operative complaint, superseding all complaints filed in any of the actions consolidated hereunder. It is the further agreement of the parties that Lead Counsel shall prepare and serve a Consolidated Amended Derivative Complaint within 45 days after these actions are consolidated, and that such consolidated pleading shall thereafter be the operative complaint. The parties also agree that defendants need only respond to the Consolidated Amended Derivative Complaint filed in these consolidated actions.

7. All plaintiffs agree that the Lead Counsel for plaintiffs for the conduct of these consolidated actions shall be Lerach Coughlin Stoia Geller Rudman & Robbins LLP; and that said law firm is hereby appointed Lead Counsel, with all future communications being directed as follows:

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
SAMUEL H. RUDMAN (SR-7957)
MARIO ALBA, JR. (MA-7240)
200 Broadhollow Road, Suite 406
Melville, NY 11747
Telephone: 631/367-7100
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LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
WILLIAM S. LERACH
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655 West Broadway, Suite 1900
San Diego, CA 92101
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8. All plaintiffs agree and the Court directs that plaintiffs' Lead Counsel shall have authority to speak for plaintiffs in matters regarding pre-trial procedure, trial and settlement negotiations, and shall make all work assignments in such manner as to facilitate the orderly and efficient prosecution of this litigation and to avoid duplicative or unproductive effort.

9. All plaintiffs agree and the Court directs that plaintiffs' Lead Counsel shall be responsible for coordinating all activities and appearances on behalf of plaintiffs and for the dissemination of notices, orders and other communications of this Court. The parties agree that no motion, request for discovery, or other pre-trial or trial proceedings shall be initiated or filed by any plaintiffs except through plaintiffs' Lead Counsel.

10. All plaintiffs agree and the Court directs that plaintiffs' Lead Counsel shall be responsible for the dissemination of future pleadings, motion papers, discovery notices, court notices and orders, and other communications, and for creating and maintaining a master service list of all parties and their respective counsel.

11. The parties agree that defendants' counsel may rely upon all agreements made with any of plaintiffs' Lead Counsel, or other duly authorized representative of plaintiffs' Lead Counsel, and such agreements shall be binding on plaintiffs.

12. The parties agree that this Order shall apply to each case, arising out of the same or substantially the same transactions or events as these cases, which is subsequently filed in, removed to or transferred to this Court.

13. The parties agree and the Court directs that when a case which properly belongs as part of the *In re Morgan Stanley Derivative Litigation*, Master File No. 05-CV-6516 (LTS), is hereafter filed in the Court or transferred here from another court, counsel shall call to the attention of the clerk of the Court the filing or transfer of any case which might properly be consolidated as part of the *In re Morgan Stanley Derivative Litigation*, Master File No. 05-CV-6516 (LTS), and counsel are to assist in assuring that counsel in subsequent actions receive notice of this Order.

14. After discussion with counsel for all parties, the parties have agreed to a briefing schedule regarding defendants' anticipated motion to dismiss the consolidated pleading and have agreed as follows:

- (a) Plaintiffs shall file a Consolidated Amended Derivative Complaint within 45 days after these actions are consolidated;
- (b) Defendants shall have 45 days following the filing of a Consolidated Amended Derivative Complaint to respond;
- (c) If defendants move to dismiss, plaintiffs shall have 45 days to file their opposition thereto; and
- (d) Defendants shall have 21 days to reply in support of their motion to dismiss.

IT IS SO STIPULATED.

DATED: September 16, 2005


LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
SAMUEL H. RUDMAN (SR-7957)
MARIO ALBA, JR. (MA-7240)



MARIO ALBA, JR.

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Melville, NY 11747
Telephone: 631/367-7100
631/367-1173 (fax)

SO ORDERED.

 9/19/2005

LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE